

From: *Abhay Padgaonkar*
Date: January 14, 2021
Docket: APS Rate Case (E-01345A-19-0236)
Re: **APS Ratepayers Must Receive a RATE DECREASE Based on Overwhelming Evidence in the Docket**

Dear Judge Harpring and Arizona Corporation Commissioners:

Pursuant to my brief public comment on January 14, 2021, I am documenting a summary of all the filings I have made since 2019 (some with Stacey Champion) into the current APS rate case docket. We have pointed out more than just a wrong call-in number. Collectively, these filings on the record provide overwhelming evidence to you that APS is *not* deserving of a rate increase because APS is the least affordable, least reliable, least safe, and least customer-focused Arizona utility that has generated massive overearning. APS has shamelessly funneled these excessive profits into obscenely high executive compensation, electing friendly ACC commissioners who then failed to regulate APS, and massive politicking to benefit its shareholders to the detriment of the captive ratepayers and the environment.

To make matters worse, APS has repeatedly engaged in denials, deceptions, and distractions while misleading the Commission and the ratepayers. Arizona was already ranked 42nd and was in the Bottom-10 states in terms of affordability. This rate increase will make matters much worse. **The captive APS ratepayers — already exploited by the unjust and unjustified 2017 APS rate increase and then battered by the global pandemic — must receive a significant RATE DECREASE and must have the power to choose their electricity provider.**

1) APS says it needs a rate increase to improve service. Don't believe it!

My op-ed published in The Arizona Republic contradicts APS's claim that growth and renewable energy are forcing it to ask for more money.

<https://docket.images.azcc.gov/E000004158.pdf>

2) APS's rising profitability has increasingly squeezed the price-gouged ratepayers

APS's profitability increased by 23% from 2016 to 2019. The average profitability for the Utilities Sector was only 10.8%, meaning that Pinnacle West's 16.2% margin was **50%** higher than that of the average utility and higher than that of 180 other utilities. No wonder Pinnacle West had nearly \$58 million to throw around in four years on political spending and another \$2 million for outside lobbying.

<https://docket.images.azcc.gov/E000006616.pdf>

3) APS's flawed rate design, deception, and significant harm to the ratepayers is documented

The Barbara Alexander Report questioned the very essence of the current rate design and concluded that the ACC must reconsider the current rate plans. Most importantly, the Report signifies that APS has continued to deceive and harm the ratepayers while making it clear that APS has misled the Commission.

<https://docket.images.azcc.gov/E000006619.pdf>

4) By placing a large number of ratepayers not on the most economical plan, APS has generated massive overearning

APS made unrealistic projections, which then led to the 51% of its customers still not being on their Most Economical Plan (MEP). This led to massive APS overearning (estimated by Comm. Kennedy to be as high as **\$171.3 million** per year) — a fact that was confirmed by the Overland Audit Report.

<https://docket.images.azcc.gov/E000006670.pdf>

5) APS has continued to whitewash its intense customer dissatisfaction

Any improvement in customer satisfaction in 2020 (NOT a test year) is directly related to the shutoff moratorium.

<https://docket.images.azcc.gov/E000007046.pdf>

6) Deconstructing the 2017 APS Rate Increase Rip-Off: A detailed analysis that connects all the dots for the 50+ tricks used by APS over the years.

<https://docket.images.azcc.gov/E000006905.pdf>

7) Retail competition is the only viable solution

<https://docket.images.azcc.gov/E000007109.pdf>

8) Adopting statewide retail competition rules permitting CCAs is the only viable solution.

<https://docket.images.azcc.gov/E000007784.pdf>

9) APS's deeply flawed rate design and its faulty rate comparison tool steered a vast majority of customers to complex, unfamiliar, time-of use/demand plans.

<https://docket.images.azcc.gov/E000008341.pdf>

10) Dramatic increase in shutoffs call for an APS Rate Decrease and permanent summer moratorium

<https://docket.images.azcc.gov/E000008795.pdf>

11) Arizona was already ranked 42nd and in the bottom-10 states in terms of affordability

<https://docket.images.azcc.gov/E000008887.pdf>

12) APS had a deliberately flawed rate design and it led to customer exploitation

<https://docket.images.azcc.gov/E000009249.pdf>

13) Don Brandt was paid 3 times more while APS charged 21% higher rates compared to the 'peers'

<https://docket.images.azcc.gov/E000009657.pdf>

14) Six fatal flaws in the Energytools Report confirm inadequate customer compensation by APS

<https://docket.images.azcc.gov/E000009246.pdf>

<https://docket.images.azcc.gov/E000009115.pdf>

15) Enough with APS's denials, deceptions, and distractions with respect to safety, reliability, power shutoffs, most economical plan for ratepayers, and executive compensation

<https://docket.images.azcc.gov/E000008002.pdf>

16) APS is the least affordable, least reliable, least safe, least customer focused utility and the worst laggard on clean energy

<https://docket.images.azcc.gov/E000007090.pdf>

17) APS is gaslighting the Commission and the ratepayers with respect to its prior knowledge of the faulty rate comparison tool

<https://docket.images.azcc.gov/E000009889.pdf>